

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1454-01
Bill No.: HB 558
Subject: Public Service Commission: Utilities
Type: Original
Date: May 24, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Various State	\$0 to Unknown	\$0 to Unknown	\$0
General Revenue	(\$0 to Unknown)	(\$0 to Unknown)	\$0
Conservation	(\$0 to Unknown)	(\$0 to Unknown)	\$0
School District Trust	(\$0 to Unknown)	(\$0 to Unknown)	\$0
Soil & Water and State Parks	(\$0 to Unknown)	(\$0 to Unknown)	\$0
Total Estimated Net Effect on <u>All</u> State Funds	(\$0 to Unknown)	(\$0 to Unknown)	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	(\$0 to Unknown)	(\$0 to Unknown)	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Economic Development - Public Service Commission** and the **Department of Economic Development - Office of Public Counsel** stated that they could carry out their duties under terms of the proposal with existing resources.

Oversight notes that state government and political subdivisions are consumers of gas and electricity and could save money due to the proposed rate ceilings. Oversight also notes that sales taxes collected on gas and electric bills could be reduced. Oversight assumes that sales tax losses would exceed savings to governments. (The proposal does not explicitly say that utility companies would be allowed to "make up" losses due to the temporary ceiling; therefore, this fiscal note does not address possible higher rates in the second half of FY 2003 and in FY 2004.)

<u>FISCAL IMPACT - State Government</u>	FY 2002	FY 2003 (6 Mo.)	FY 2004
VARIOUS STATE FUNDS			
<u>Savings</u> - lower gas and electric bills	\$0 to Unknown	\$0 to Unknown	\$0
GENERAL REVENUE FUND			
<u>Loss</u> - Lower Sales Tax	(\$0 to Unknown)	(\$0 to Unknown)	\$0
SCHOOL DISTRICT TRUST FUND			
<u>Loss</u> - Lower Sales Tax	(\$0 to Unknown)	(\$0 to Unknown)	\$0
CONSERVATION FUND			
<u>Loss</u> - Lower Sales Tax	(\$0 to Unknown)	(\$0 to Unknown)	\$0
SOIL AND WATER AND STATE PARKS FUNDS			
<u>Loss</u> - Lower Sales Tax	(\$0 to Unknown)	(\$0 to Unknown)	\$0
<u>FISCAL IMPACT - Local Government</u>	FY 2002	FY 2003 (6 Mo.)	FY 2004
POLITICAL SUBDIVISIONS			
<u>Savings</u> - lower gas and electric bills	\$0 to Unknown	\$0 to Unknown	\$0

<u>FISCAL IMPACT - Local Government</u>	FY 2002	FY 2003 (6 Mo.)	FY 2004
<u>Loss</u> - Lower Sales Tax	(\$0 to Unknown)	(\$0 to Unknown)	\$0
ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	<u>(\$0 to Unknown)</u>	<u>(\$0 to Unknown)</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses which are consumers of gas and electricity could benefit from rate ceilings.
Small businesses which are regulated utilities could lose revenue due to rate ceilings.

DESCRIPTION

This proposal would set a ceiling on rates charged by natural gas or electric corporations until January 1, 2003. Rates could be no higher than those established as of the effective date of the bill.

The bill contains an emergency clause.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. The proposal could affect Total State Revenue.

SOURCES OF INFORMATION

Department of Economic Development - Public Service Commission
Department of Economic Development - Office of Public Counsel



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Director
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